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U. S. TREASURY DEPARTMENT
Internal Revenue Service
Washington 25, D. C.

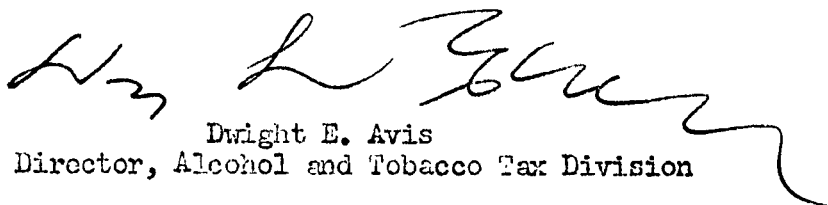
November 20, 1956

Alcohol and Tobacco Tax Division
Industry Circular No. 56-40

Instructions Relative to Reporting of
Tobacco Materials by Manufacturers of
Tobacco Products

Manufacturers of tobacco, cigars, and cigarettes:

1. The purpose of this industry circular is to furnish instructions relative to the manner of reporting tobacco materials by manufacturers of tobacco products in their inventories and reports, beginning January 1, 1957.
2. In any inventory, Form 2130 or 2131, as the case may be, required to be made on and after January 1, 1957, manufacturers of tobacco products shall show all tobacco materials under only the two classifications of unstemmed tobacco (tobacco from which the stem or mid-rib has not been removed) and other tobacco materials (all other tobacco materials, including stems if received or intended for use in manufacture, but not including waste).
3. Beginning with the report for the month of January 1957, manufacturers of tobacco products shall show in the report, Form 2134 or 2136, as the case may be, all tobacco materials under only the two classifications of unstemmed tobacco (tobacco from which the stem or mid-rib has not been removed) and other tobacco materials (all other tobacco materials, including stems if received or if shipped or delivered to manufacturers of tobacco products, dealers in tobacco materials, or for purposes other than fertilizer, insecticide, or nicotine, but not including waste).
4. Until the inventory and the report forms are revised, you should appropriately modify Section I of such forms to show only the two classifications of unstemmed tobacco and other tobacco materials.
5. This manner of reporting tobacco materials is consistent with the way manufacturers will record tobacco materials in the new internal revenue records, Forms 2141, 2142, and 2143, which will be issued for use beginning January 1, 1957.
6. Inquiries in regard to this industry circular should refer to the number thereof and should be directed to the appropriate Assistant Regional Commissioner, Alcohol and Tobacco Tax.


Dwight E. Avis
Director, Alcohol and Tobacco Tax Division